

Compensation Mgr

TUA

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COMPENSATION QUESTIONNAIRE

I. Compensation System

What is compensation approach? (How organization manages and why)

① THAT SALARIES PAID EMPLOYEES COMPARE FAVORABLY WITH SALARIES PAID IN SIMILAR LABOR MARKETS

② WE HAVE A PAY FOR PERFORMANCE PROGRAM.

A. Hire at, above, or below market salary rates, recruitment bonuses

used? "Based on experience" normally below midpoint (market rate).

Recruitment bonuses are used.

1. Entry vs. senior level hires

Entry level hired below market AND RECRUITMENT BONUSES ARE NOT USED.

SENIOR level hired closer to market AND RECRUITMENT BONUSES ARE USED.

B. Geographic vs. national pay schedules and why ① MANAGEMENT schedule based on = national market. We compete nationally for talent. ② Bargaining unit schedules are based on vicinity. Agreement with Union.

C. What are special compensation programs for supervisors and non-

managerial staff? ① Pay for Performance Program

② Executive Performance Bonus Awards Program

D. Pay adjustments - Based on market, profitability or ?.

① Non Bargaining pay adjustments are based on market, changes in economic conditions, ability to pay and governmental guidelines.

② Bargaining pay adjustments are based on prevailing wages and negotiations

1. Increase or Salary Management?

2. Frequency NORMALLY 12 MONTHS - CURRENTLY INCREASES ARE FROZEN FOR non-bargaining employees

3. Merit increase distributions (common date) or Anniversary

exceptions or mid-years) (based on individuals performance.)

4. Amount of increase tied to performance? ① NON-BARGAINING - YES ② BARGAINING - NO

5. Can non-supervisory pay equal or exceed executive pay? (dual

ladder - have it; your views) YES

6. Lead, lead/lag or lag; market target at ^{50%} X% ± market?
- E. How important is uniformity of pay across different business lines and organizations? *Salary Administration procedures are uniform at TVA.*
1. Uniformity
 2. Flexibility
 3. Problems/Issues
- F. Roughly what portion of total compensation is bonuses or other forms of at risk pay? *In 1988 TVA will have no pay at risk for Bargaining or non-Bargaining Employees*
- G. What is purpose of putting pay at risk?
① INCREASE PERFORMANCE, ② Accomplish objectives, ③ REWARD for accomplishments.
- H. Who can make exception to your start salary rules? What can they change? *Corporate Compensation STAFF @ Approval of Compensation Manager.*
1. National office only? (What can they waive?)
 2. Division VP?
 3. Manager/Supervisor?
- I. Added Compensation for passing clearance (lifestyle restrictions - can't publish, etc.) *NONE*
- J. Premium pay (overtime, hazardous duty pay) for professional Employees?
1. Do you have it? *Yes, For Bargaining employees. Also, Allow Vice Presidents to approve overtime payments to exempt employees as they deem necessary*

2. Who is eligible and under what circumstances?

See 1

K. What do you disclose about your pay system to employees?

yes 1. Classification description

yes 2. Rate ranges

yes 3. Policies/Procedures

No 4. Individual pay rates

5. Other *Individual pay Grades, Titles*

II. Recruiting Approach

What do you sell to recruit staff?

2 rankings

New Graduates

Experienced

<u><i>new GRASS</i></u>	<u><i>Experienced</i></u>	
✓	✓	A. Salary
	✓	B. Benefits including deferred compensation
✓	✓	C. Career with firm
✓	✓	D. Opportunity to work with latest technology
✓	✓	E. Importance of projects, to? <i>Community, Tennessee Valley, etc</i>
—	—	F. Profit sharing
✓	✓	G. Prerequisites (work environment)
✓	✓	H. Ability to work with first class organization (yours)

NEW
GRADS

Experienced

✓

✓

a. best minds

✓

✓

b. at cutting edge, or

c. -?

✓

I. New Grad training program?

J. Any other thoughts/concepts

III. Special Recruiting - New PhD or experienced?

What would you do to attract a world class talent (Phd in Mathematics, MIT)?

(Exception not pipeline talent) *RECRUITING BONUS, deferred retirement*

A. Would you make exception to your normal classification/compensation rules? *No*

B. If so, on what basis? *N/A*

1. Work environment
2. How much flexibility to keep a hook in them?
3. Conflict of interest issues? Competition?

C. How do you pay top people?

BASE SALARY, RECRUITING BONUS, deferred retirement

1. Pros/Cons or problems in your system

CON
*Federal pay cap limits BASE SALARY for top
managers and professionals*

IV. Workforce Concept

What kind of workforce concept are you operating under?

- No* A. Lifetime career, no layoff?
- YES/NO* B. Only for duration of project
- No* C. Hire cutting edge recruits from school; edge out with slow raises after a few years, or?
- YES* D. Fully experienced, proven talent from other organizations?
- YES* E. Government/Military as a source
- No* F. Revitalization of burned-out people? If so what, what conditions?
- yes* *TRAINING employees*
- yes* *Rotational Assignments*

V. Employee Mobility

Do you move your professional staff? What levels? (e.g. Management only?

Technical)? *Yes - All levels management AND technical*

- A. What problems, if any, are you having? *SAME AS OTHER COMPANIES*
① many employees ARE HESITANT to move for PERSONAL REASONS
② WE HAVE SOME REMOTE LOCATIONS
③ TWO CAREER FAMILY
- B. What solutions are you using that work best?
① Buy employee's house
② BONUS (TRAVEL ARRANGEMENTS)
③ interim living expenses
- C. How do you keep transferees whole?

NO specific plan other than "B" answers

1. Family
2. spouse
3. second wage earner
4. Schools
5. Other
6. Additional Services

VI. General Support

Do you have:

- yes* A. Second career support - Outplacement activity/consultant
- No* B. Do you rely on short term "borrowing" of staff from research organizations/universities, etc. (conditions 18-24 months; person goes back to prior job) - Conflict-of-interest, Sabbatical.
- No* C. Flexible Benefits (Upper mid-level to below Officer

SY-IntGuid/kvk
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